

AGENDA

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

Wednesday, November 4, 2015 at 6:00pm

TUSAYAN TOWN HALL BUILDING

845 Mustang Drive, Tusayan Arizona

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tusayan Town Council and to the general public that the Tusayan Town Council will hold a meeting open to the public on Wednesday, November 4, 2015 at the Tusayan Town Hall Building. If authorized by a majority vote of the Tusayan Town Council, an executive session may be held immediately after the vote and will not be open to the public. The Council may vote to go into executive session pursuant to A.R.S. § 38-431.03.A.3 for legal advice concerning any matter on the agenda, including those items set forth in the consent and regular agenda sections. The Town Council may change, in its discussion, the order in which any agenda items are discussed during the course of the meeting.

Persons with a disability may request a reasonable accommodation by contacting the Town Manager at (928) 638-9909 as soon as possible.

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you silence it at this time to minimize disruption of today's meeting.

TOWN COUNCIL REGULAR MEETING AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. ROLL CALL

MAYOR GREG BRYAN

VICE MAYOR CRAIG SANDERSON

COUNCILMEMBER AL MONTOYA

COUNCILMEMBER JOHN RUETER

COUNCILMEMBER JOHN SCHOPPMANN

❖ *One or two Council Members may attend by telephone*

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Members of the public may address the Council on items not on the printed agenda. The Council may not discuss, consider or act upon any matter raised during public comment. Comments will be limited to three minutes per person.

Members of the audience who wish to speak to the Council on an item listed as Public Hearing should complete a Request to Speak Card and turn it into the Town Clerk. Speakers will be limited to three minutes each.

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

Presentation from Judge Robert Krombeen regarding the Tusayan Justice Court

5. CONSENT AGENDA

Items on the consent agenda are routine in nature and will be acted on with one motion and one vote. Members of the council or staff may ask the mayor to remove any item from the consent agenda to be discussed and acted upon separately.

A. Minutes of the Town Council Special Meeting on 9/24/15 and Regular Meeting on 10/21/15

B. Accounts Payable Billings

C. Quarterly Financial Reports

6. WORK GROUP AND COMMITTEE REPORTS

- A. Update on the Sports Complex Work Group**
- B. Update on the Planning and Zoning Commission**
- C. Update on Affordable Housing**

7. ACTION ITEMS

- A. Consideration, discussion, and possible approval of Tusayan Housing Authority concept, a related nonprofit corporation, and related issues concerning the Kotzin Ranch Development**

The Town Council may decide to go into executive session pursuant to A.R.S. § 38-431.03.A.3 and A.4 for legal advice from, and to consult with, the Town Attorney concerning the possible creation of the Tusayan Housing Authority, the creation of a related nonprofit corporation, and related issues concerning the Kotzin Ranch Development.

- B. Consideration, discussion and possible approval Broadband Fiber feasibility study**

8. DISCUSSION ITEM

Discussion of the possibility of contracting with Coconino County for Building Permitting and Inspections

9. TOWN MANAGER'S REPORT

10. FUTURE AGENDA ITEMS

11. COUNCIL MEMBERS' REPORTS

12. MAYOR'S REPORT

13. MOTION TO ADJOURN

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the General Store in Tusayan, Arizona on this _____ day of November, 2015, at _____ pm in accordance with the statement filed by the Tusayan Town Council.

Signature of person posting the agenda

ITEM NO. 5A

TUSAYAN TOWN COUNCIL SPECIAL MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03
Thursday, September 24, 2015 at 4:00pm
TUSAYAN TOWN HALL BUILDING
845 Mustang Drive, Tusayan Arizona

TOWN COUNCIL SUMMARIZED MINUTES

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 4:05pm and the Pledge of Allegiance was recited.

2. ROLL CALL

Upon roll call, the following were present:

**MAYOR GREG BRYAN
VICE MAYOR CRAIG SANDERSON
COUNCILMEMBER AL MONTOYA
COUNCILMEMBER JOHN RUETER
COUNCILMEMBER JOHN SCHOPPMANN**

Also present was:

Eric Duthie, Interim Town Manager
Melissa M. Drake, Town Clerk

Mayor Bryan moved to Item 4.

4. DISCUSSION OF THE RAMIFICATIONS AND EFFECTS ON GRAND CANYON NATIONAL PARK AND THE TOWN OF TUSAYAN OF THE POSSIBLE FEDERAL GOVERNMENT SHUTDOWN ON OCTOBER 1, 2015

Mayor Bryan gave a brief update on this topic. He stated that Grand Canyon National Park is referring all calls to Washington D.C. regarding the shutdown. Washington is currently focused on the Pope's visit. Representative Gosar is not expected to support the shutdown and the Arizona Office of Tourism has sent a letter to Senator McCain's office expressing concern. The Mayor communicated to Senator McCain's office that if there is a shutdown, the Town would support reopening as soon as possible.

The Mayor gave a review of what happened during the last shutdown which occurred in 2013. He is still waiting on a meeting with Park Superintendent Uberuaga. He stated that there are two bills waiting for consideration which would allow repayment of funds to the Town from 2013.

The Council directed the Mayor, Vice Mayor, and Town Manager to proceed with keeping the park open if necessary with up to \$200,000 without another special meeting. The Grand Canyon Chamber and Visitors' Bureau, local businesses, and river runners will also be contacted regarding their financial support.

3. ACTION ITEM

Consideration, discussion, and possible action on Performance Evaluation of the Interim Town Manager

The Town Council may decide to go into executive session pursuant to A.R.S. § 38-431.03(A)(1) for Personnel Evaluation of the Interim Town Manager.

Following the Executive Session, Council may wish to take action in open session relating to the evaluation of the Interim Town Manager. Council may elect to approve the evaluation of the Interim Town Manager or to appoint the Interim Town Manager as the Town Manager and authorize the preparation of an employment agreement.

Councilmember Montoya made a motion to take the Council into Executive Session at 4:20pm. Vice Mayor Sanderson seconded the motion and it passed on unanimous vote.

The Council entered Executive Session without the Manager and the Clerk and discussed options for Town Management.

Councilmember Montoya made a motion to exit Executive Session at 5:33pm. Councilmember Rueter seconded the motion and it passed on unanimous vote.

Interim Town Manager Duthie re-joined the meeting.

Mayor Bryan stated that the Council directed the Mayor and Vice Mayor to work with the Town Attorney to develop a hiring plan for a full time Manager.

4. MOTION TO ADJOURN

Councilmember Montoya made a motion to adjourn the meeting at 5:35pm. Councilmember Rueter seconded the motion and it passed on unanimous vote.

ATTEST:

Greg Bryan, Mayor

Date

Melissa M. Drake, Town Clerk

CERTIFICATION

State of Arizona)
) ss.
Coconino County)

I, Melissa M. Drake, do hereby certify that I am the Town Clerk of the Town of Tusayan, County of Coconino, State of Arizona, and that the above minutes are a true and correct summary of the meeting of the Council of the Town of Tusayan held on September 24, 2015.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 21st day of October, 2015

TOWN CLERK

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03
Wednesday, October 21, 2015 at 6:00pm
TUSAYAN TOWN HALL BUILDING
845 Mustang Drive, Tusayan Arizona

TOWN COUNCIL SUMMARIZED MINUTES

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 6:04pm and the Pledge of Allegiance was recited.

2. ROLL CALL

MAYOR GREG BRYAN
VICE MAYOR CRAIG SANDERSON
COUNCILMEMBER AL MONTOYA
COUNCILMEMBER JOHN RUETER
COUNCILMEMBER JOHN SCHOPPMANN - excused

Also present were:

Eric Duthie, Interim Town Manager
Melissa M. Drake, Town Clerk

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None

Mayor Bryan moved to Item 8.A.

8.A. Discussion of the Grand Canyon National Park Medical Clinic status

Representatives of North Country Health Care (NCHC), Marti Neff, Kelly Bradish and Jennifer Youngberger gave a presentation to the Council covering the history and status of the Grand Canyon Clinic. They also stated that North Country Health Care is a nonprofit, 501(c)(3) organization.

They discussed their budgeted and actual expenses and incomes.

Their contract with the National Park Services requires that they are open 7 days a week from April 15th to October 15th but the extended contract ends on February 1, 2016.

The Council and Manager Duthie discussed the issues with the NCHC representatives who will provide additional information at a later date. Airport Manager, Mike Thomas, stated that there may be an option to locate the clinic on airport property if approved by the FAA.

John Vail stated that there may be property in Tusayan which could be developed for this purpose and suggested that the NCHC representatives contact local land owners.

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

A. Safety recognition awards from the Arizona Municipal Risk Retention Pool

Manager Duthie presented awards to the Council for the Town noting that the Town had made no claims in Insurance Year 2014.

B. Proclamation declaring Sunday, November 1, 2015 as "Arizona Trail Founder Dale Shewalter Recognition Day"

Mayor Bryan read the proclamation honoring Dale Shewalter.

5. CONSENT AGENDA

A. Minutes of the Town Council Special and Regular Meeting on 9/16/15

B. Accounts Payable Billings

Councilmember Rueter made a motion to approve the Consent Agenda. Councilmember Montoya seconded the motion and it was approved on unanimous vote.

6. WORKGROUP AND COMMITTEE REPORTS

A. Update on the Sports Complex Work Group

Manager Duthie stated that the Work Group met yesterday and discussed current projects and possible changes to the master plan.

Vice Mayor Sanderson also reported on the meeting specifically covering issues with regulation-sized sports fields and the lack of a regulation track in the plan.

Town Engineer, Rick Schuller, will make changes to the design of the proposed sports fields, parking lot, and access roads and the Work Group will meet again in 2 weeks on November 3, 2015.

B. Update from the Planning and Zoning Commission

Manager Duthie stated that the next meeting on November 4th will be a Joint Workshop with the Council on the Revised Zoning Code. So far, we have not received any applications for the vacant Commission seat.

C. Update on Affordable Housing

There will be an action item on the November 4th meeting agenda.

7. ACTION ITEMS

A. Consideration, discussion, and possible approval of Town of Tusayan Sports Complex CDBG project labor and materials contract

Manager Duthie stated that there were no responses to the CDBG request for proposal so the Town has contacted 3 contractors to work out a direct bid. Two of those contractors have replied with bids.

Manager Duthie covered the specific figures from each contractor's bid and stated that both of them are significantly more expensive than the available CDBG funds but Bidder #1 was less expensive than Bidder #2. The Council discussed the options with Manager Duthie.

Vice Mayor Sanderson made a motion to award the contract to Contractor #1 for an amount not to exceed \$250,710. Councilmember Montoya seconded the motion and it passed on unanimous vote.

Manager Duthie stated that Bidder #1 was Robbco Construction and Bidder #2 was LP Excavating.

B. Consideration, discussion, and possible approval of contract extension between the Town of Tusayan and Systems Technology Staffing (STS), retroactive to September 30, 2015

Manager Duthie noted a memo he sent to the Council regarding this topic. He gave a status on the project and recommended that the Council extend this contract though the end of December 2015.

Councilmember Montoya made a motion to extend the contract with STS to the end of December 2015 and make it retroactive to September 30, 2015. Councilmember Rueter seconded the motion and it passed on unanimous vote.

C. Consideration, discussion, and possible approval of Town Manager Employment Agreement

Councilmember Montoya made a motion to take the Council into Executive Session at 8:02pm. Councilmember Rueter seconded the motion and it passed on unanimous vote.

Councilmember Rueter made a motion to exit Executive Session at 8:25pm. Councilmember Montoya seconded the motion and it passed on unanimous vote.

Councilmember Montoya made a motion to approve the employment contract dated today with 1 change which will be made tomorrow. Councilmember Rueter seconded the motion and it passed unanimously.

Manager Duthie introduced his wife, Susan, to the Council.

8. DISCUSSION ITEMS

A. Discussion of the Grand Canyon National Park Medical Clinic status

This item was moved to the beginning of the meeting.

B. Discussion of Establishing a date for the Town Council strategic planning retreat

The Council discussed options and directed the Manager to schedule a retreat on a day in the week of January 11, 2016. The Council requested topics to include a summary of last year, new goals, financial status, medical clinic, community activities or projects, possible trail system, artwork, snow-play area, and broadband status.

9. TOWN MANAGER'S REPORT

Manager Duthie covered several topics including the following:

- The Kotzin Ranch survey will be reprinted and the postage issue has been resolved
- He attended the Rotary Club chili cook-off
- He attended a webinar regarding rural health issues which included the potential for using EMTs to provide some rural health care
- He attended the CVB mixer at Yavapai Lodge. It was well attended and he had the opportunity to develop some relationships with local business people.
- He attended a branding seminar for the state and was 1 of only 3 people representing communities outside the Valley
- He attended the International Dark Skies Association presentation in Grand Canyon National Park and the Town Planner is looking at the Revised Zoning Code for compliance. Mayor Bryan requested an update on our deficiencies soon.
- He had a discussion with Judge Krombeen of the Justice Court regarding possible security issues at Town Hall. Judge Krombeen will present at the November 4th Council meeting.
- He attended the TFD Board meeting on October 8th and learned that the Tusayan Wildland Fire Protection Plan may handle any FireWise requirements
- He announced that Melissa Drake has just celebrated her 3rd anniversary of working for the Town and thanked her for her service.
- Dalton Williams has been hired as a seasonal laborer
- Community Organization signs are up near the south roundabout
- The bank requires all Council signatures to add Councilmember John Schoppmann as an authorized signer on the Town's account
- The CVB "Trunk or Treat" will be on October 31, 2015 as well as a movie, "Unbranded," which will be shown at the IMAX Theater. There will be no charge but they will be accepting donations for the Arizona Trail Association
- The bench memorializing Dale Shewalter will be placed and dedicated on November 1, 2015 at 11am
- The ADOT Airport Master Plan Advisory Meeting will be held on October 29th here at Town Hall from 1pm to 3pm

10. FUTURE AGENDA ITEMS

- 11/4/15 - Broadband update
- 11/4/15 - County permitting and inspection status

11. COUNCIL MEMBERS' REPORTS

Councilmember Rueter stated that he will be attending the upcoming NACOG regional meeting in the Mayor's absence.

12. MAYOR'S REPORT

Mayor Bryan stated he will soon be meeting with new Kaibab National Forest Supervisor, Heather Provencio, and will have a separate meeting with Grand Canyon National Park Superintendent Uberuaga.

13. MOTION TO ADJOURN

Councilmember Montoya made a motion to adjourn the meeting at 9:06pm. Councilmember Rueter seconded the motion and it passed on unanimous vote.

ATTEST:

Greg Bryan, Mayor

Date

Melissa M. Drake, Town Clerk

CERTIFICATION

State of Arizona)
) ss.
Coconino County)

I, Melissa M. Drake, do hereby certify that I am the Town Clerk of the Town of Tusayan, County of Coconino, State of Arizona, and that the above minutes are a true and correct summary of the meeting of the Council of the Town of Tusayan held on October 21, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 27th day of October, 2015

Town Clerk

ITEM NO. 7A

ARTICLES OF INCORPORATION

OF

TUSAYAN NON-PROFIT HOUSING, INC.

(An Arizona Tax-Exempt Non-Profit Corporation)

ARTICLE I

The Name of the tax-exempt non-profit Corporation shall be Tusayan Non-profit Housing, Inc.

ARTICLE II

The corporation is organized and will be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code. In pursuance of these purposes it shall have the powers to carry on any business or other activity which may be lawfully conducted by a corporation organized in Arizona, whether or not related to the foregoing purposes, and to do all things necessary, proper and consistent with maintaining tax-exempt status under section 501(c)(3).

ARTICLE III

The character of affairs of the corporation shall be to raise funds from private individuals, companies, the public, and apply for grants and other forms of public aid to develop, operate, and maintain affordable housing for Tusayan Residents. The corporation shall also provide educational and financial assistance to assist residents in securing and maintaining affordable housing within Tusayan.

ARTICLE IV

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth in Article II. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the United States Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Laws) or (b) by a corporation, contributions to which are deductible under Section 501(c)(3) of the United States Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Laws).

ARTICLE V

Upon dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the United States Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Coconino County Superior Court exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

ARTICLE VI

The corporation will hold harmless and indemnify, to the fullest extent permissible under the provisions of A.R.S. §§ 10-3850 through 10-3858, or provisions of any successor amended statutes, each of its directors and officers ("indemnitee") against any and all liability and expenses incurred by indemnitee in connection with any threatened or actual proceeding or legal action resulting from indemnitee's service to the corporation or to another entity at the corporation's request.

ARTICLE VII

The initial Board of Directors shall consist of three (3) directors. The names and addresses of the persons who are to serve as the directors until the first annual meeting of the members, or until their successors are elected and qualify are: _____.

The number of persons to serve on the Board of Directors thereafter shall be defined by the Bylaws.

ARTICLE VIII

The street address of the known place of business of the Corporation is _____.

ARTICLE IX

The name and address of the statutory agent of the Corporation is: William J. Sims III, Sims Murray, Ltd., 2020 N. Central Avenue, Suite 670, Phoenix AZ 85004.

ARTICLE X

The name and address of the incorporator is: _____.

All powers, duties and responsibilities of the incorporator shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

ARTICLE XI

The corporation will not practice or permit discrimination on the basis of sex, age, race, national origin, religion or physical handicap or disability.

ARTICLE XII

The personal liability of a director of this Corporation to the Corporation or its members for money damages for any action taken or any failure to take any action as an officer is eliminated and such members are immune to the extent provided by the Arizona Nonprofit Corporation Act, including (without limitation) A.R.S. § 10-3202, and any amendments thereto.

ARTICLE XIII

The corporation will have no members.

EXECUTED this ____ day of _____, 2015, by the corporation.

Signed: _____
_____ as Incorporator

Phone: _____

Acceptance of Appointment by Statutory Agent

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this _____ day of _____, 2015.

Signed: _____
William J. Sims III

**BYLAWS OF
TUSAYAN NON-PROFIT HOUSING, INC.**

ARTICLE I. OFFICES

Section 1.1 Offices. The principal office of the corporation shall be located at _____, Tusayan, Arizona _____. The corporation may have such other offices, either within or outside Arizona, as the board of directors may designate or as the affairs of the corporation may require from time to time.

ARTICLE II. MEMBERS

Section 2.1 No Members. The corporation shall have no members.

ARTICLE III. BOARD OF DIRECTORS

Section 3.1 General Powers. The business and affairs of the corporation shall be managed by its board of directors, except as otherwise provided in the Arizona Nonprofit Corporation Act, the articles of incorporation or these bylaws.

Section 3.2 Number; Election; Tenure and Qualifications. The members of the Town Council of the Town of Tusayan, Arizona shall serve as the board of directors of the corporation. The number of directors of the corporation shall be the same as the number of members of the Town Council of the Town of Tusayan, Arizona, and each director of the corporation shall serve until such time as he or she is no longer a member of the Town Council. Because a vacancy of the Town Council will create a vacancy on the board of directors, the replacement director shall be the replacement Town councilmember chosen in the manner provided by law.

Section 3.4 Regular Meetings. An annual meeting of the board of directors shall be held during the month of ____ at the time, day and place designated in the meeting notice as determined by the board for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

Section 3.5 Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place as the place for holding any special meeting of the board called by them. Notice must be provided to Directors in accordance with Section 3.5.

Section 3.6 Notice. Notice of each meeting of the board of directors stating the place, day and hour of the meeting shall be provided to each director at least two days prior to the meeting. Except as otherwise provided herein, notices to the Directors may be by telephone, email, facsimile transmission or in writing and delivered personally or mailed to the Directors at their addresses appearing on the books of corporation. Notice by mail shall be deemed effective when the same shall be mailed postage prepaid to such addresses. Notice by personal delivery shall be

deemed effective upon delivery. In all other cases, notices shall be deemed effective upon transmission. Any individual notice required to be given under the provisions of applicable law, the Articles or these Bylaws may be waived in writing either before or after the event requiring such notice, provided such waiver is signed by the person or persons entitled to such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the board of directors need be specified in the notice or waiver of notice of such meeting unless otherwise required by statute.

Section 3.7 Quorum and Voting. Unless otherwise required by the Arizona Non-profit Corporation Act (A.R.S. Section 10-3101 *et seq.*, as may be amended), a majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, and the vote of a majority of the directors present in person at a meeting at which a quorum is present shall be the act of the board of directors. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. No director may vote or act by proxy at any meeting of directors.

Section 3.8 Compensation. Directors shall not receive compensation for their services to the corporation as such, although the reasonable expenses of directors of attendance at board meetings may be paid or reimbursed by the corporation. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the corporation in any other capacity.

Section 3.9 Executive and Other Committees. By one or more resolutions adopted by a majority of the directors then in office, the board of directors may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in the resolution establishing such committee, shall have and may exercise all of the authority of the board of directors, except as prohibited by A.R.S. § 10-3825, as may be amended. The delegation of authority to any committee shall not operate to relieve the board of directors or any member of the board from any responsibility imposed by law. Rules governing procedures for meetings of any committee of the board shall be as established by the board of directors, or in the absence thereof, by the committee itself.

Section 3.10 Meetings by Telephone. Members of the board of directors or any committee thereof may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.11 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the directors or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or committee members entitled to vote with respect to the subject matter thereof.

Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the directors or committee members.

ARTICLE IV. OFFICERS AND AGENTS

Section 4.1 Number and Qualifications. The elected officers of the corporation shall be a president, a vice-president, a secretary and a treasurer. The board of directors may also appoint such other officers, assistant officers and agents, including an executive director, a controller, assistant secretaries and assistant treasurers, as it may consider necessary. One person may hold more than one office at a time. Officers need not be directors of the corporation. All officers must be at least eighteen years old.

Section 4.2 Election and Term of Office. The elected officers of the corporation shall be elected by the board of directors at each regular annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon as convenient thereafter. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified or until the officer's earlier death, resignation, or removal.

Section 4.3 Compensation. The compensation of the officers, if any, shall be as fixed from time to time by the board of directors, and no officer shall be prevented from receiving a salary by reason of the fact that such officer is also a director of the corporation.

Section 4.4 Removal. Any officer or agent may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

Section 4.5 Vacancies. Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the corporation, by giving written notice to the president or to the board of directors. An officer's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

Section 4.6 Authority and Duties of Officers. The officers of the corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the president, the board of directors or these bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

(a) President. The president shall, subject to the direction and supervision of the board of directors, (i) be the chief executive officer of the corporation and have general and active control of its affairs and business and general supervision of its officers, agents and

employees; (ii) preside at all meetings of the board of directors; (iii) see that all orders and resolutions of the board of directors are carried into effect; and (iv) perform all other duties incident to the office of president and as from time to time may be assigned to the president by the board of directors.

(b) Vice-President. The vice-president shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. The vice-president shall, at the request of the president, or in the president's absence or inability or refusal to act, perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions on the president.

(c) Secretary. The secretary shall (i) keep the minutes of the proceedings of the board of directors and any committees of the board; (ii) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the corporation; and (iv) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

(d) Treasurer. The treasurer shall (i) be the principal financial officer of the corporation and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the board of directors; (ii) receive and give receipts and acceptances for moneys paid in on account of the corporation, and pay out of the funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the corporation and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the president and the board of directors statements of account showing the financial position of the corporation and the results of its operations; (iv) upon request of the board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president or the board of directors. Assistant treasurers, if any, shall have the same powers and duties, subject to supervision by the treasurer.

ARTICLE V. INDEMNIFICATION

Section 5.1 To the fullest extent permitted by law, directors, officers, employees or agents of the corporation shall be indemnified by the corporation in accordance with the provisions of Title 10, Chapters 24-40, Arizona Revised Statutes, as the same exists or hereafter may be amended.

ARTICLE VI. DISSOLUTION

Upon dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the United States Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine.

ARTICLE VII. MISCELLANEOUS

Section 6.1 Account Books. Minutes. Etc. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its board of directors and committees. All books and records of the corporation may be inspected by any director, or that director's authorized agent or attorney, for any proper purpose at any reasonable time.

Section 6.2. Fiscal Year. The fiscal year of the corporation shall be established by the board of directors.

Section 6.3 Conveyances and Encumbrances. Property of the corporation may be assigned, conveyed or encumbered by such officers of the corporation as may be authorized to do so by the board of directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance: however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the corporation shall be authorized only in the manner prescribed by applicable statute.

Section 6.4 Designated Contributions. The corporation may accept any designated contribution, grant, bequest or devise consistent with its general tax-exempt purposes, as set forth in the articles of incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the corporation shall reserve all right, title and interest in and to and control of such contributions. as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any such special fund, purpose or use. Further, the corporation shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the corporation's tax-exempt purposes.

Section 6.5 Conflicts of Interest. Any person who is a director or officer of the corporation shall be subject to A.R.S. § 38-501 *et seq.* and A.R.S. § 10-3202.B.2 (as each of those statutes may be amended).

Section 6.6 Loans to Directors and Officers Prohibited. No loans shall be made by the corporation to any of its directors or officers. Any director or officer who assents to or

participates in the making of any such loan shall be liable to the corporation for the amount of such loan until it is repaid.

Section 6.7 References to Internal Revenue Code. All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

Section 6.8 Amendments. The power to alter, amend or repeal these bylaws and adopt new bylaws shall be vested in the board of directors by a two-thirds vote.

Section 6.9 Severability. The invalidity of any provision of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

**TUSAYAN NON PROFIT HOUSING, INC.
BYLAWS CERTIFICATE**

The undersigned certifies that he is the Secretary-Treasurer of Tusayan Non-Profit Housing, Inc., an Arizona nonprofit corporation, and that, as such, he is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective bylaws of said corporation.

Dated this ____ day of ____, 2015.

**BYLAWS
BOARD OF COMMISSIONERS
THE HOUSING AUTHORITY OF THE TOWN OF TUSAYAN**

ARTICLE I. THE AUTHORITY

Section 1. Name. The name shall be "Housing Authority of Town of Tusayan," herein referred to as the "HATT".

Section 2. Mission. The mission of the HATT is to improve the quality of life of families and strengthen communities by developing and sustaining affordable housing programs; and to become a leading housing authority by exemplifying best practices, offering innovative affordable housing programs, and expanding accessibility throughout Town of Tusayan.

Section 3. Office. The offices of the HATT shall be at such location within the corporate limits of Town of Tusayan ("Town"), State of Arizona, as the HATT may from time to time designate by resolution. The HATT may hold its meetings at such places and times as it may, from time to time, deem necessary.

Section 4. Authorities. The HATT shall have the authorities provided in Title 36, Chapter 12, Article 1 and delegated by the Town.

ARTICLE II. COMMISSIONERS

Section 1. Board. The HATT shall be governed by the Council of the Town of Tusayan, Arizona (the "Council") who shall serve as the Board of Commissioners of the HATT (the "Board of Commissioners"), and who shall be referred to as "Commissioners" when acting in such capacity. No Commissioner may hold an office or be an employee of the Town (other than as a member of the Council).

Section 2. Appointment. Each Member of the Council of the Town of Tusayan shall, while rightfully holding the office of Town Council, automatically be and act as a Commissioner of the Board of Commissioners.

Section 3. Term. Each Commissioner of the HATT shall serve a term concurrent with her/his term as a duly elected Member of the Council.

Section 4. Compensation. Commissioners shall receive no compensation for their services, but shall be entitled to reimbursement for necessary expenses, including travel, incurred in the discharge of their duties.

ARTICLE III. OFFICERS

Section 1. Officers. The officers of the HATT shall be Chairman and a Secretary. The Chairman shall be the person serving as the Mayor of the Council.

Section 2. Chairman. The Chairman shall preside at all meetings of the Board of Commissioners. Except as otherwise authorized by resolution of the Board of Commissioners, the Chairman shall sign all contracts, deeds and other instruments made by the HATT. At each meeting, the Chairman shall submit such recommendations and information as he/she may consider proper concerning the business, affairs and policies of the HATT. The Chairman shall develop, or cause to be developed, distinct policies that govern the Board of Commissioner's role and responsibility for accountability and authority with respect to the Executive Director and the general affairs of the HATT.

Section 3. Executive Director/Secretary. The Town Manager shall recommend to the Board of Commissioners a person to serve as the Executive Director/Secretary of the HATT. Once approved by the Board of Commissioners, the person shall be the Executive Director of the HATT. The Executive Director/Secretary shall be responsible for the management of the housing projects of the HATT. The Executive Director/Secretary shall maintain the records of the HATT; shall act as secretary of the meetings and cause the keeping of meeting minutes; record all votes; shall keep a record of the proceedings of the HATT in a journal to be kept for such purpose; and shall perform all duties incident to his/her office. The Executive Director/Secretary shall keep in safe custody the seal of the HATT and shall have power to affix such seal to all contracts and instruments authorized to be executed by the HATT. The Executive Director/Secretary's duties shall also include, but are not limited to, the following:

- a. Create for review by the Town Manager or his designee, and approval by the Board of Commissioners, an internal code of conduct policy to prevent misconduct by the HATT employees, including the Executive Director/Secretary. Such policy shall also include clear provisions outlining prohibited hiring practices (e.g., nepotism), disclosure requirements, and methods to avoid conflicts of interest under Federal law, regulation or policy, and be consistent with the Town of Tusayan's core policies, except where otherwise supported by federal laws and regulations.
- b. Create, for review by the Town Manager, or his designee, and approval by the Board of Commissioners, standardized written performance appraisal forms for all employees, and thereafter ensure that the forms are uniformly utilized in evaluations for all employees, including the Executive Director/Secretary. In addition, ensure that employee files are maintained with current, accurate records according to industry-wide human resource standards. Evaluations performed pursuant to this section shall be consistent with the Town of Tusayan's core policies, except where otherwise supported by federal laws and regulations.
- c. Create, implement and manage written employee policies and procedures that include, but are not limited to, cell phone usage, driving records, procurement, credit card usage,

travel, performance evaluations, ethics, and other human resource management tools. Such policies shall be consistent with the Town Code and Town policies.

- d. Create, implement and oversee written personnel policies, recognizing limitations in Federal and State law that may be unique to grant-funded employees.
- e. Develop and implement a comprehensive financial management system that includes standard operating procedures and internal controls for all activities including, but not limited to, budgeting, cash management, accounting, accounts payable, collections, debt management, and all contractual financial obligations.

Section 4. Treasurer. The Executive Director/Secretary shall also serve as Treasurer of the HATT. The Treasurer shall have the care and custody of all funds of the HATT and shall deposit the same in the name of the HATT in such financial institutions as permitted by law. The Treasurer shall sign all orders and checks for payment of money and shall pay out and disburse such moneys under the direction of the HATT. Except as otherwise authorized by resolution of the HATT, all such orders and checks shall be counter-signed by the Chairman. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the HATT, when requested, an account of financial transactions and also of the financial condition of the HATT. The Treasurer shall give such bond for the faithful performance of his/her duties as the HATT may determine. The Treasurer's duties shall also include, but are not limited to, the following:

- a. Develop and implement standard operating procedures and internal controls for activities related to managing, billing and collecting of fees and charges that are the responsibility of the HATT pursuant to a Federal, State or local law, regulation or policy.
- b. Develop, implement and monitor written policies on authorized use of grant funds as they may be awarded, including policies for credit card use by the HATT employees, proper cost allocation for personnel and expenses related to grant funding and travel by the HATT employees.
- c. Properly execute and implement all necessary documentation with respect to bank accounts held by the HATT (e.g., General Depository Agreements from HUD), and ensure all deposits and withdrawals are made in accordance with Federal and State law.
- d. Develop, implement and monitor an investment strategy for funds received to ensure that investments are made to safely maximize the return on the HATT reserves.

Section 5. Additional Duties. The officers of the HATT shall perform such other duties and functions as may from time to time be required by the HATT or the Bylaws or rules and regulations of the HATT.

Section 6. Additional Personnel. The HATT may from time to time employ such personnel as permitted by A.R.S. § 36-1404(C), as may be amended.

Section 7. Conflicts of Interest. All Commissioners, officers, and all employees of the HATT shall be subject to Title 38, Chapter 3, Article 8 (A.R.S. § 38-501 *et. seq.*). In addition, no Commissioner, officer, employee, or immediate family member of a Commissioner, officer or employee shall have any interest, direct or indirect, in any project; property included or planned to be included in a project, or contracts or subcontracts managed by the HATT. Any such interest, direct or indirect, must be disclosed in writing prior to any decision by the HATT relating to the project, property, or contract. This prohibition shall be applicable for one (1) year after tenure with the HATT. Conflicts of interest properly disclosed under this section may be waived by the Board of Commissioners, provided such waiver is not prohibited by state or federal law.

Section 8. Ethics Code. All Commissioners, officers, and all employees of the HATT shall maintain the very highest of ethical standards, including unquestionable standards of integrity, truthfulness, honesty, fairness, and personal responsibility in the performance of their duties, and shall avoid the appearance of impropriety.

ARTICLE IV. MEETINGS

Section 1. Regular Meetings. Pursuant to A.R.S § 36-1404(D), as may be amended, regular meetings shall be public meetings, and held with notice as required by the Arizona Open Meeting Law (A.R.S. 38-431 *et seq.*), at a meeting place and schedule established by the Board of Commissioners.

Section 2. Special Meetings. The Chairman of the HATT may on his/her own, or upon the written request of at least two Commissioners, call a special meeting of the HATT for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the HATT at any time but at least 24 hours prior to the meeting, or may be mailed to the business or home address of each member of the HATT at least three days prior to the date of such special meeting, or notice may be waived by any or all the members of the Board of Commissioners prior to the meeting. At such special meeting no business shall be considered other than as designated in the posted agenda for the meeting, and only to the extent permitted under the Arizona Open Meeting Law.

Section 3. Quorum. The powers of the HATT shall be vested in the Commissioners thereof in office from time to time. Three Commissioners shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes, but the Chairman or a smaller number may adjourn from time to time until a quorum is obtained. Commissioners may attend meetings by means of conference telephone or other similar electronic communication equipment in which all persons participating in, or attending, the meeting can hear each other. Participation in a meeting pursuant to such electronic communication shall constitute presence in person at such meeting. When a quorum is in attendance (either in person or via conference telephone or other similar electronic communications equipment) action may be taken by the Board of Commissioners upon a vote of a majority of the Commissioners present.

Section 4. Order of Business. At the regular meetings of the HATT, the order of business shall be established by the Board of Commissioners including, but not limited to, the regular or general business of the HATT, project updates, financial reports, operational and managerial reports, presentations, workshops, current events, or public comment. All resolutions adopted by the HATT shall be in writing and shall be entered in the official meeting minutes of the proceedings of the HATT.

Section 5. Manner of Voting. The voting on all questions coming before the HATT shall be by ayes and nays, where passage is by majority vote of a quorum. All decisions shall be entered upon the minutes of such meetings.

ARTICLE V. NOTICES

Section 1. Notices. Except as otherwise provided herein, notices to the Commissioners may be by telephone, electronic mail, facsimile or in writing and delivered personally or mailed to the Commissioners at their addresses appearing on the books of the HATT. Notice by mail shall be deemed effective three days after the same shall be mailed postage prepaid to such addresses. All other notices shall be deemed effective upon transmission.

Section 2. Waiver. Notice to any individual required to be given under the provisions of applicable law or these Bylaws may be waived in writing either before or after the event requiring such notice, provided such waiver is signed by the person or persons entitled to such notice.

ARTICLE VI. AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the HATT shall be so amended only with the approval of at least four of the members of the Board of Commissioners at a regular or a special meeting, but no such amendment shall be adopted unless at least three days' written notice thereof has been previously given to all of the members of the Board of Commissioners.

ARTICLE VII. COOPERATION WITH THE TOWN OF TUSAYAN AND OTHER PUBLIC HOUSING AUTHORITIES

Section 1. Cooperation. To further its purposes, the HATT may cooperate with the Town of Tusayan or any other entity relating to carry out, acquire, purchase, lease, construct, reconstruct, improve, alter, extend or repair any housing project or projects or part of these projects, and operate and maintain the project or projects. For any such purposes, the HATT or Town of Tusayan may appropriate money and authorize the use of any property of the public body. See A.R.S § 36-1403(A), as may be amended.

A city, town, county or authority that has in place an appropriate and sufficient housing department or appropriate and sufficient authority staff, by a resolution of its governing body,

may authorize and direct that the department or authority staff provide any executive, administrative, fiscal or technical experts and other officers, attorneys, independent contractors, agents and employees to the HATT as may be necessary or desirable to the achievement of the purposes and powers prescribed in this article. See A.R.S § 36-1404(C), as may be amended,

In addition, two or more cities, towns or counties, acting directly, or pursuant to this article through their public housing authorities, may join or cooperate in the exercise, jointly or otherwise, of any or all of their powers under this article for the purpose of financing, planning, owning, constructing, operating or contracting with respect to a housing project located within the area of operation of one or more of the public housing authorities, cities, towns or counties. For such purpose, the HATT may cooperate with one or more of the public housing authorities, cities, towns or counties with respect to any or all of such powers. See A.R.S § 36-1422, as may be amended.

CERTIFICATE

I, _____, the duly elected, qualified and acting Secretary of the Housing Authority of the Town of Tusayan ("HATT"), do hereby certify that the above and foregoing are the Bylaws of the HATT, duly adopted by the Board of Commissioners at meetings held on Date XX, 2015.

I have hereunto executed this Certification effective Date XX, 2015.

Name, Secretary

**RESOLUTION CREATING
THE HOUSING AUTHORITY THE TOWN OF TUSAYAN**

WHEREAS, the Council of the Town of Tusayan (the "Council") is empowered, pursuant to Arizona Revised Statutes ("A.R.S.") § 36-1403, to provide opportunities for affordable, decent, safe and sanitary housing to low-to-moderate income families in Town of Tusayan; and

WHEREAS, the Council, pursuant to A.R.S. § 36-1404, desires to create the Housing Authority of the Town of Tusayan (the "HATT") and delegate to the HATT the governance and operational authority necessary to provide affordable housing opportunities within Town of Tusayan; and

WHEREAS, the Council desires to establish a separate board of appointed commissioners (the "Board of Commissioners") to oversee and monitor the HATT's duties and responsibilities; and

WHEREAS, the Council recognizes that providing affordable housing is in the public interest and that the HATT, as its agent, is best equipped to fulfill that purpose; and

WHEREAS, the Council has determined that current economic conditions require Town of Tusayan to look for efficiency in all areas of service provision; and

WHEREAS, the Council seeks to exercise its authority and, among other things, elect that it shall serve as the Board of Commissioners of the HATT and act with all appropriate authority; and

NOW, THEREFORE, BE IT RESOLVED that the Town of Tusayan Council hereby adopts Resolution No. _____, for the following purposes:

1. To elect, by majority vote pursuant to A.R.S. § 36-1404(B), the Council as the Board of Commissioners of the HATT.
2. Adopt Bylaws for the HATT, in substantially the form attached hereto as Exhibit A and incorporated herein by reference.
3. Adopt Guidelines for the HATT, in substantially the form attached hereto as Exhibit B and incorporated herein by reference.
4. Create the Advisory Committee of the HATT to provide recommendations to the Executive Director and the Board of Commissioners. The Advisory Committee shall be comprised of at least seven (7) members, including, but not limited to, the following: One

(1) Advisory Committee member appointed by the Mayor and each Town Council member; at least One (1), but no more than two (2) Advisory Committee member(s) appointed by the Town Manager; at least One (1), but no more than two (2) Advisory Committee member(s) appointed by the Board of Commissioners as a whole, at least one of whom shall be a resident in a low income housing project.

4. The Advisory shall adopt bylaws substantially in the form attached hereto.

BE IT FURTHER RESOLVED that the Town Council members acting as the Board of Commissioners of the HATT shall act with the rights, duties, and responsibilities established by law.

PASSED AND ADOPTED by the Town Council of the Town of Tusayan, Arizona on this day _____, 2015.

GUIDELINES
for the
HOUSING AUTHORITY OF
THE TOWN OF TUSAYAN
(the “HATT”)

_____, 2015

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Section 101 PURPOSE AND APPLICABILITY

101.1 The purpose of the Housing Authority of the Town of Tusayan (the "HATT") Guidelines is to provide a comprehensive and consistent set of provisions that apply to housing created by the Town of Tusayan and/or the Housing Authority of the Town of Tusayan through either its Zoning Ordinance or through direct construction of Housing Units or the financing thereof.

The Housing Authority of the Town of Tusayan Guidelines establish the standards and procedures for initial and subsequent sales of for- sale, and/or the rental of deed-restricted affordable housing units constructed, financed or otherwise produced by the Town of Tusayan and/or the HATT in order to permanently protect affordable home ownership opportunities.

These Guidelines are intended to apply to the purchase, sale, transfer, assignment, conveyance, or rental of affordable housing constructed, financed or otherwise produced by the Town of Tusayan and/or the HATT. The Guidelines may be amended pursuant to Section 202. Owners and renters of Deed Restricted Housing Units are subject to the Guidelines in effect at the time of purchase, or rent. In cases where there is a conflict between these Guidelines and the Deed Restriction for any given Housing Unit, the provisions of the Deed Restriction shall govern.

101.4 Each sale or rental of any Housing Unit shall be subject to the Guidelines in effect at the time of sale or rental of the unit, with these exceptions:

- A.** Qualified owners who are applying to lease or purchase a Housing Unit may at any time request that the current version of the Guidelines be applied to the Housing Unit through the Exception process, as described in Section 109 below.
- B.** Current owners or renters of Housing Units may choose either the current version of these Guidelines or those in effect at the time the unit was occupied by the Household for matters of continued qualification to occupy the Housing Unit.
- C.** Maximum Resale Price shall always be determined by the deed restriction for the Housing Unit. The HATT may require filing of a new deed restriction with updated terms at the time of sale.

101.5 Violations of these Guidelines may at the election of the HATT cause the lease of a Housing Unit to terminate on _____ () days' notice or require the sale of the Housing Unit pursuant to Section 105 of these Guidelines.

Section 102 GENERAL POLICY GOALS

102.1 The general goal of these Guidelines is to provide affordable housing for persons who make a living primarily from Employment within the boundaries of the Town of Tusayan and their families. This is accomplished primarily by regulating occupancy and sale of the Housing Units covered by the Guidelines to "Qualified Households" as defined herein.

102.2 These Guidelines also limit initial eligibility for ownership, or the rental to Qualified Households that meet specific economic means tests which includes both Household Income and Household Net Assets. Such tests of economic means are intended to promote economic diversity within the Tusayan community.

102.3 The Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for both the current Household occupying the Housing Unit and for the long-term affordability of the Housing Unit in the future.

102.4 These Guidelines are intended to provide for clear, fair and consistent administration of the housing program. It is recognized that there are individual Households or Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception, Appeal and Grievance processes have been included in the Guidelines.

102.5 **DISCLAIMER:** The Town of Tusayan expressly disclaims any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to leasing or conveying f Housing Units. The Town of Tusayan does not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these guidelines or under any other programs. No applicant may rely upon any promise implied or express that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Town of Tusayan. In no event shall the Town of Tusayan be liable to any applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

Section 103 HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY

103.1 There are up to three levels of evaluation to determine the qualification of applicants for the Housing Unit in question, known as Qualification, Eligibility and Priority.

Qualification is the most general and is the same definition for ownership or rental units.

Eligibility refers to additional requirements specific to a particular Housing Unit.

Priority refers to the rules by which applicants for particular Housing Unit(s) are placed in order for the purpose of offering the Unit(s) for sale or rent as they become available (e.g. a bidding, waiting list or lottery procedure) and is typically applied to a particular Housing Unit by Resolution of the HATT.

A. A Household must maintain its Qualification continuously as long as it occupies the Housing Unit. Failure to continuously meet Qualified Household Criteria shall require sale of Housing Unit according to Section 105, below.

B. Eligibility and Priority only apply at the time of initial sale or rental of the Housing Unit.

103.2 Qualified Household Defined To be considered a "Qualified Household" under these Guidelines, all of the following criteria must be met:

A. At least one member of the Household must either:

1. meet the applicable Employment Requirement described below; or,
2. be Disabled and have been a Resident within the boundaries of the Town of Tusayan for at least 12 months immediately prior to the effective date of a lease or rental agreement or the closing date of a sale or for at least five (5) of the previous seven (7) calendar years; or,
3. be Elderly and have met either the applicable Employment Requirement for rental described in Section 103.2.B. below or the specific Employment Requirement for purchase described in Section 103.2.C.2. below for the time period immediately prior to meeting the definition of Elderly contained in Section 904. (Elderly Households are not required to satisfy the requirements of Section 103.2.C.1.).

B. For the purpose of purchasing a Housing Unit or renting a Housing Unit, or a room therein, the Employment Requirement is met if at least one individual in a Household is employed and has worked or can demonstrate a clear intent to work an average of at least _____ hours per year within the boundaries of the Town.

C. Up to ten percent (10%) of the required hours per year may be filled by verifiable Volunteer Community Service within those same boundaries.

D. Upon purchase or rental of a Housing Unit, the Household must make and continuously maintain the Housing Unit as their principal place of residence unless granted a Leave of Absence.

E. **Leave Of Absence:** In the event a Household wishes to not occupy the unit for a period of time exceeding three (3) months, the Household may apply to the HATT for a leave of absence for a term not to exceed two (2) years. The Household must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the Housing Unit. The HATT may condition the granting of the leave of absence on the Household's offering the unit for rent to a Qualified Household, agreeable to the Household, during the period of the requested leave. Applications for a Leave of Absence shall be made to the HATT according to the Exceptions Procedure provisions of Section 109.2 below.

103.3 General Qualification Criteria for Purchase or Rent: In addition to the general Qualification criteria in section 103 above, Households must meet all of the

following Qualification criteria to be eligible to purchase and occupy, or rent, a Housing Unit. These criteria must be met continuously so long as the Household occupies the Housing Unit.

A. Assets/Household Total Net Assets:

1. Total Household Net Assets of all purchasers in the Household shall not exceed ____ times the Original Purchase Price (OPP) of the Housing Unit. All Household members' shares of business assets, including real estate, shall be included in determination of total household net assets. See Definitions Section for further information regarding the definition of "Net Assets" and "Assets."

2. If at any time the Net Assets of the Household exceed the above limit, the HATT may give notice requiring the owner to sell the Housing Unit within one year from the date of the notice.

B. Ownership of Property: This Section B shall only apply to Households which are seeking eligibility to purchase and occupy.

1. At the time of application, a Household may own other undeveloped or developed residential or commercial property. The fair market value of such property will be taken into consideration when determining Household Net Assets. Any change in the fair market value of such property shall be taken into consideration in evaluating the Household's continued Qualification to occupy the Housing Unit.

2. A Household will be able to acquire or maintain ownership of other property with no effect on the Qualification of the Household, unless such ownership causes the Household to exceed the limitation on Net Assets contained in paragraph A above.

3. Households that desire to acquire other developed residential property after taking ownership of a Housing Unit must be granted an Exception prior to taking ownership of the other developed residential property.

103.4 Additional Eligibility Criteria: To purchase a Housing Unit, owners shall meet the requirements for being a Qualified Household in this Section 103, and these additional Eligibility Criteria.

A. Appropriate Size: The total number of people in a Household must be appropriate for the available unit size. Household size must fall within the limit below:

Unit Size:	Minimum Household Size:
1 Bedroom	1 person
2 Bedroom	1 person

3 Bedroom	2 persons
4 Bedroom	3 persons

B. Income Tiers: Owner occupied units are subject to an Income Limit. Housing Units will be designated by a Resolution of Tusayan Town Council for occupancy by one of two different income tiers as defined below.

Tier 1 Income: Household income shall not exceed the 120 percent of AMI for Coconino County (see definitions).

Tier 2 Income: Household income shall not exceed the 180 percent of AMI for Coconino County (see definitions).

103.5 Owner Units may be rented to a Qualified Household provided an Exception is granted by the HATT.

Section 104 HOUSEHOLD APPLICATION PROCESS AND VERIFICATION.
In addition, the HATT may from time to time designate certain units as subject to a lottery. A lottery procedure may create additional application requirements other than those in this Section 104.

The HATT may request any combination of documentation reasonably related to proof of income, assets, and employment. Household shall sign a release of information so that HATT may obtain such information. The HATT will require a sworn statement of the facts contained in the application including at least the following certifications:

- A. that the facts contained in the application are true and correct to the best of the Applicant's knowledge;
- B. that the Applicant has been given the standard application information packet by the HATT Staff; and,
- C. that the Applicant, on the basis of the application presented, believes that the Household qualifies to occupy the Housing Unit in question according to the Deed Restriction, these Guidelines and all other applicable procedures, rules and regulations.

104.2 Verification of Qualification and Eligibility standards will be done either:

- A. upon request of the HATT due to the Household's high ranking in a lottery (in the case of Housing Units that are to be sold to a person on the lottery), or
- B. upon the initial application to the HATT (in all other cases),

104.3 Any material misstatement of fact or deliberate fraud by the Household in

connection with any information supplied to the HATT shall be cause for immediate expulsion from the application process and/or forced sale of the Housing Unit and may (in the sole discretion of the HATT) cause the person making the application to be barred from submitting subsequent applications for a _____ () year period.

104.4 HATT requires all owners of Housing Units to maintain Qualified Household status on an on-going basis. The HATT may perform random audits and investigate complaints or reports of non-compliance on an on-going basis. The HATT may require at any time that a Household verify within twenty-one (21) days of such request by the HATT that the Household is a "Qualified Household."

104.5 **Homeowners Associations:** The Housing Unit may be subject to a Homeowners Association. HOA dues are authorized in Arizona under A.R.S. § 33-1801 et seq. All Owners of Housing Units are required to pay HOA dues, if applicable, unless otherwise exempted.

104.6 All personal and financial information provided to the HATT Staff will be kept strictly confidential, except as follows:

- A. Signed contracts between the Applicant or Household and the HATT or Town including but not limited to Contracts to Purchase a Housing Unit, Deed Restrictions, any document to be recorded with the sale of the Housing Unit along with the Deed Restriction, and any document that would customarily be a matter of public record in the property records of the applicable jurisdiction;
- B. The names and lottery positions of all persons who have participated in any Ownership Lottery held under these Guidelines; and
- C. Any other information which a court of competent jurisdiction rules must be released under the Freedom of Information Act or the Arizona Public Records Act.
- D. In addition, the HATT may provide for access to personal and private information to any person or entity undertaking an independent audit of the records kept under these Guidelines, provided such person or entity agrees to be subject to this confidentiality provision.

104.7 The HATT may from time to time employ outside accounting expertise to evaluate the reasonability of Applicant or Household representations of Income and Assets, especially in cases of self-employment, business ownership and complex asset portfolios.

Section 105 SALE AND RESALE OF UNITS

105.1 All Housing Units shall be sold in accordance with applicable wait list, lottery, or other selection procedures as determined by the Town.

Owner Units Subject to Ownership Lottery: When units become available for purchase that are designated for sale by lottery, the HATT shall offer the units for sale according to the lottery procedures established in Section 108 below.

Shortly after Households are ranked by the lottery, staff will contact the Households most likely to be offered a unit, based on a Household's ranking. Households contacted must indicate the size of unit (number of bedrooms) the Households that are offered a unit to purchase will be offered a unit that is appropriate for the household size, as set forth in these Guidelines. Staff will require a Household to submit a statement of loan pre-certification from a mortgage lender, indicating that the Household is capable of qualifying for the approximate sales price of the property that it is interested in purchasing.

105.2 Options: Sellers of Housing Units have the following options for advertisement and marketing of their units:

- A. Seller may advertise, market and sell a unit directly; or
- B. Seller may list the unit with a real estate broker licensed to do business in the State of Arizona; Real estate commissions are NOT included in the Maximum Resale Price and cannot be passed on to the Purchaser.

105.3 Allowed Sales Price: The sale price of the Housing Unit shall be calculated according to its Deed Restriction. This sale price shall be the only exchange of value between parties to any sale of the Housing Unit. Both Purchaser and Seller must execute a sworn statement affirming that the contracted sale price is the only exchange in value in the sale. Any exchange of value outside the sale price shall invalidate the sale in addition to being a violation of these Guidelines enforceable by the HATT.

105.4 Disclosure of relevant contracts and information: Both Buyer and Seller of any Housing Unit must sign a release of information allowing the HATT to obtain copies of all documents relevant to the sale, including but not limited to:

- A. the sales contract for the Housing Unit
- B. the purchaser's application for financing and related documentation
- C. title and escrow documents related to the sale

All financial information shall remain confidential except as noted in Section 104.6.

105.5 Consult with Staff: Sellers of Housing Units are advised to consult with the HATT staff prior to offering a Housing Unit for sale, in order to obtain the most current information about applicable Housing Guidelines and Wait List processes, and to verify the allowed maximum sale price of the unit and other applicable provisions of the Deed

Restriction concerning the sale. Actual notice of intent to sell a Housing Unit must be given in writing to the HATT at least 60 days prior to the sale of the unit. Notice forms are available from the HATT staff.

105.6 Independent Legal Counsel: All Sellers and Purchasers of Housing Units are advised to consult independent legal counsel regarding the examination of title and all contracts, agreements and title documents. The retention of such counsel, or related services, shall be at purchaser's and seller's own expense. All fees due to the HATT shall be paid regardless of any action or services that the purchaser or seller may undertake or acquire.

105.7 Title Company: The HATT advises purchasers to use a local title company and escrow agent with experience in closings of Housing Units to close the sale transaction. The title documents involved in a closing of Housing Units are unique and technical. Mistakes in the closing documents are easily made and difficult to correct. Seller shall authorize the HATT to review the conveyance documents prior to closing.

105.8 Fee: At the closing of the sale, the seller, except when the seller is the HATT, Town or either Designee or a Qualified Household, will pay to the HATT a fee equal to 1% of the sales price. The HATT may instruct the title company to pay such fees out of the funds held for the seller at closing. The HATT may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing.

105.9 Deed Restriction: The HATT shall prepare the Buyer's Deed Restriction, including the Option to Purchase, in accordance with the provisions of Section 107.

Section 106 RENTAL PROCEDURES

106.1 In cases where rental of a Housing Unit is permitted, the following shall apply:

A. Tenants shall be a Qualified Household according to the general Qualification and Eligibility Criteria contained in Section 103 of these Guidelines. The HATT Staff shall certify the qualification of the Household prior to tenancy of the Housing Unit.

B. Tenants shall meet the Eligibility Criteria in Section 103 of the Guidelines and Income as designated by the Housing Unit's Tier and Assets that apply to the particular Housing Unit in question at time of initial tenancy.

C. Lease Renewal: At the time of any Lease renewal, Allowed Gross Rent, as determined in accordance with the formula set forth in Appendix B to these Guidelines, may be adjusted up or down in conformity with amendments to the Guidelines.

D. Applicable Household Qualification and Eligibility contained in Section 103 of the Guidelines and Income as designated by the Housing Unit's Tier shall be recertified by HATT Staff at any time there is a change of tenancy of the Housing

Unit.

E. Rental of all Housing Units shall be through the HATT and must be by a written Lease, an executed copy of which shall be on file with the HATT at all times during the period in which rental of the Housing Unit has been approved. In cases where the approved rental period exceeds one year, the lease copy on file shall be updated at least once every twelve calendar months.

106.2 Qualification for Renting a Room in a Housing Unit. Owners of a Housing Unit may rent an individual room in the owner occupied Housing Unit provided that the owner continuously occupies the Housing Unit rents not more than one room. The Tenant must meet the Employment Requirement of Section 103.2.B. Verification of qualification shall be determined by the HATT.

106.3 Applicants for leasehold interests in Housing Units shall be prioritized on a first-come first-served basis with the date of the application serving as the benchmark for determining priority on the Wait List.

106.4 Procedures for Rental Units shall be developed by the HATT.

106.5 Owner Units may be rented by the HATT to a Qualified Household provided an Exception is granted by the HATT.

Section 107 DEED RESTRICTION FORM AND PROCESS

107.1 The Deed Restriction shall be applied to Housing Units prior to the initial sale. The original executed and recorded documents will be maintained by the HATT. Provisions in these Guidelines regarding the form of the Deed Restriction are a summary of significant policies and should not be considered the complete and final Deed Restriction. Sellers and buyers are advised to consult the Deed Restriction for the Housing Unit for complete specific language, which is the final authority for that Housing Unit.

107.2 The Deed Restriction shall specify

1. the Original Purchase Price [OPP];
2. the Allowed Gross Rent (if applicable to the particular Housing Unit) including provisions for any increases in Gross Rent;
3. any income restrictions to which future purchasers may be subject; and
4. the allowed Maximum Resale Price [MRP];

The HATT does not make any guarantees of the subsequent owner's ability to sell the Housing Unit for its Maximum Resale Price or rent the Housing Unit for its Allowed

Gross Rent.

107.3 Maximum Resale Price [MRP] shall be the OPP specified in the Deed Restriction,

A. PLUS, the lesser of:

- 1. An increase in price of three percent (3%) per year from the date of purchase to the date of Owner's notice of intent to sell (compounded annually and prorated at the rate of .25 percent per each whole month of any part of a year); or**
- 2. The amount based on the Consumer Price Index, Urban Wage Earners and Clerical Workers (CPI-W) calculated as follows: the Original Purchase Price of the Affordable Housing Unit multiplied by the CPI-W index last published prior to the date of the Owner's notice of intent to sell, divided by the CPI-W as of the date of purchase, (in no event shall the multiplier be less than one).**

B. PLUS, the costs of any public improvements for which assessments were imposed by any municipal special improvement district or the Town since the recordation date of the Deed Restriction;

C. PLUS, the costs of Capital Improvements, not to exceed thirty percent (30%) of the OPP, which have been

- 1. properly permitted and inspected by the Town of Tusayan Building Official; and,**
- 2. documented by the Owner and approved and determined by the HATT to benefit the affordable housing program through increasing the unit's capacity to house additional Qualified Households.**

D. PLUS, any other costs allowed by the HATT pursuant to policies in effect on the date of Household's notice of intent to sell.

E. OPP's shall be recorded in the Deed Restriction for the unit. Each property sale generates a new OPP. The language in the Deed Restriction shall be the final determination of Maximum Resale Price.

107.4 Subsequent purchasers of Housing Units must execute a Deed Restriction prior to or simultaneously with the closing on the purchase of a Housing Unit. Should a Housing Unit be sold for less than its Maximum Resale Price, the actual sale price shall become the basis for the new Original Purchase Price. Seller and Purchaser will consent to allow the HATT or its Designee to become privy to the sales contract and title commitment and will cooperate with the HATT or its Designee to complete and have recorded the Deed Restriction and option to Purchase and any other documents required for the transfer of the Housing Unit.

107.5 An Option to Purchase shall be granted by the Lender to the HATT to redeem the Housing Unit in the event of default by purchasing the unit from the holder of the trustee's deed at the redemption price plus reasonable costs of the holder.

107.6 The Deed Restriction shall be binding on all owners, successors and assigns including any holder of a deed in lieu of foreclosure. Exceptions may be granted to allow the release of the Deed Restriction in the event of foreclosure if granting such an Exception meets the standards contained in Sections and 109.1 and 109.2C below.

107.7 The Deed Restriction and any amendments thereto must be recorded in the property records of Coconino County. The original executed and recorded documents must be returned to the HATT for their files.

107.8 All Deed Restrictions must be prepared by the HATT. No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by the HATT.

Section 108 OWNERSHIP LOTTERIES

108.1 Ownership Lottery Procedure

A. The HATT shall establish a procedure for Ownership Lotteries for Owner Units designated as subject to these Guidelines. The purpose of these Lotteries is to:

1. Create an orderly process for offering units for sale to qualifying Households and
2. Give priority in unit offers to those with an established history of employment within the boundaries of the Town of Tusayan.

B. The HATT shall open an Ownership Lottery as follows:

1. Notice of the date, time and location at which applications will be taken shall be published as a legal notice in a newspaper of general circulation in the Tusayan region and at locations for posting notices customarily used by the Town of Tusayan. Such notice shall be published at least two weeks prior to the date on which applications will be accepted. The HATT shall accept lottery applications for at least a two-week period. In addition, the HATT shall develop a public information program regarding the list opening and the guidelines governing the list that, in the judgment of the HATT, will adequately inform any reasonably interested potential applicant of the Waiting List and its Guidelines.
2. Application and information materials shall be available at the time of publication of the legal notice described above at locations and web sites announced in the legal notice.

108.2 Lottery Application Process and Applicant Responsibilities

A. Completeness of Application:

1. Households, as defined in these Guidelines, interested in purchasing an Affordable Housing unit must submit an application to the HATT. All members of a Household over eighteen years of age must submit the required information necessary to determine eligibility. In addition, a Household must submit a letter from a mortgage lender, stating the Household's ability to pre-qualify for a mortgage.
2. In order to participate in a lottery, Households must sign the sworn statement described in Section 104.1 above
3. If a Household cannot sign the sworn statement, or if a Household does not provide staff with information required to process the application, then it will not be eligible to be entered into the lottery.
4. The HATT Staff shall rely on the sworn statement of the applicant as to the completeness and accuracy of the application for the purpose of determining eligibility to participate in a lottery.

108.3 Lottery Order

A. The ATT shall only accept lottery applications during the time period specified in the legal notice provided in accordance with Section 108.1(B)(1). Mailed applications shall be considered received in the proper time period if postmarked at least two days prior to the last day of the application period and received within two business days after the application period closes. The HATT shall not be responsible for delays in the delivery of mail beyond two business days after the application period closes.

B. Applications that are certified as complete shall qualify in the lottery according to the following Criteria:

1. All Households that meet the Qualification and Eligibility Criteria listed in Sections 103 and 104 shall have one entry in the lottery.
2. An additional entry in the lottery shall be awarded to Households that can demonstrate at least three calendar years of employment within the boundaries of the Town of Tusayan within the previous five calendar years.
 - i. For a given year to count toward this additional lottery entry, an individual must have worked at least _____ hours during that calendar year.

The current calendar year may be counted if the individual has accumulated _____ hours of employment to date for the current year.

ii. The years of employment do not have to be consecutive, but they must be conducted no more than five calendar years prior to the date of the application.

iii. If individual Household members have different lengths of employment, the Household shall be evaluated for eligibility for this additional entry in the Lottery based on the individual with the greatest length of employment.

C. Lotteries are subject to the following guidelines:

1. A lottery must be conducted in a duly noticed public meeting of the HATT.
2. An independent Coconino County resident with no direct stake in the lottery outcome shall be invited to draw the applicants' names.
3. Once an applicant's name is drawn, any further instances of that applicant's name drawn are recorded, but ignored in establishing the order of applicants.
4. The results of the lottery shall be posted and certified by the resident drawing the names as soon as practically possible after the drawing.
5. The order in which applicant names are drawn in the lottery shall determine the order in which applicants are contacted to purchase the Housing Units offered in the lottery (except for handicapped-accessible units as noted in paragraph D below).

D. First priority for handicapped accessible units shall be given to Disabled persons that submit a lottery application pursuant to Section 108.2 above based on the lottery order of all Disabled Persons. If there are no Disabled Persons that submit a lottery application, the handicapped accessible unit/s will become available for purchase by Households that submitted a lottery application.

E. Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied by the Household to the HATT shall be cause for disqualification from lottery and the Household will be prohibited from reapplying for any future lottery for one year.

Section 109 EXCEPTIONS, APPEALS AND GRIEVANCES

109.1 Definitions

A. **Exceptions:** Except as otherwise set forth herein, a request for an exception to the standards and requirements of the Guidelines may be appropriate when the

applicant understands and acknowledges the criteria and believes that there exists a legitimate and compelling reason why the applicant should be exempt from such criteria or allowed a modification of the criteria. Exceptions may be granted to the Guidelines on a case-by-case basis, provided that the HATT finds such exception will promote the provision of affordable housing.

B. Appeals: An appeal of an action or failure to act by the HATT is appropriate when the applicant understands and acknowledges the criteria and believes that the criteria have been applied incorrectly to the applicant.

C. Grievances: A grievance is any dispute with the HATT with respect to an action or failure to act in accordance with an individual's rights, duties, welfare, or status. A grievance may be presented to the HATT Board under the procedures below.

109.2 Exception Procedure

A. A Request for Exception must be presented in writing to the HATT and include:

1. Verification that Applicant has fully completed the application process and that the Applicant's qualification has been confirmed as of the date of the Exception application;
2. The particular ground(s) upon which it is based;
3. The action or remedy requested;
4. The name, address, telephone number of the complainant and similar information of complainant's representative, if any;
5. Proof of notification of Exception request to the Housing Unit's Home Owners Association, if applicable; and,
6. Exception fee of \$25.00.

Request for Exception forms are available from the HATT.

B. Process: All requests for exceptions will be reviewed by the HATT Staff for completeness and forwarded with a recommendation for action to the HATT Board within 30 days.

1. Prior to consideration by the Board, the HATT Staff shall prepare a written report summarizing its recommendation regarding the requested exception. The HATT Staff shall distribute a copy of the report to the Board, the Applicant requesting the exception, and make the report available to the public.
2. If, following a hearing by the Board, the decision by the Board is a Denial or

less than a complete Approval, Applicant may appeal to the HATT Board pursuant the Appeals Section, below.

C. Standards for Review of Exception applications: Applicants desiring an Exception should demonstrate and the HATT Board must find that the Exception meets one or more of the following review standards:

1. Promotes greater affordability through:
 - i. decreasing the long term operating and maintenance costs of the Housing Unit in question;
 - ii. enabling the Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or,
 - iii. protecting the long term affordability of the Housing Unit through a price control or other similar means;
2. Promotes or recognizes long term commitment of the Applicant to residency, employment and community involvement within the boundaries of the Town or provides housing for a critical community need;
3. Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include "luxuries" or significantly exceed standards set in recent Town- constructed Housing Units);
4. Creates living space for an additional member of the Household while maintaining the income targeting for the Housing Unit;
5. Enables a Household to own and occupy a Housing Unit more suitable to the Household's needs; and/or
7. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the household (such as need to care for an Elderly or Disabled Household member).

In addition, all Exceptions must meet the General Policy Goals described in Section 102 above.

109.3 Appeal Procedure

A. Any appeal must be presented in writing to the HATT and include:

1. Verification that Applicant has fully completed the application process and that the Applicant's qualification has been confirmed as of the date of the Exception application;

2. The particular ground(s) upon which it is based;
3. The action or remedy requested;
4. The name, address, telephone number of the complainant and similar information of complainant's representative, if any;
5. Proof of notification of Appeal request to the Housing Unit's Home Owners Association, if applicable; and
6. Appeal fee of \$25.00.

Appeal forms are available from the HATT.

B. Process: All appeals will be reviewed by the HATT Staff for completeness and forwarded with a recommendation for action to the HATT Board within 30 days.

3. Applicant shall be entitled to present evidence in support of the appeal.

C. Binding Determination: The final determination of the HATT Board shall be binding and HATT shall take all actions necessary to carry out the decision.

109.4 Grievance Procedure

A. Any grievance must be presented in writing to the HATT and include:

1. The particular ground(s) upon which it is based;
2. The action or remedy requested;
3. The name, address, telephone number of the complainant and similar information of complainant's representative, if any; and
4. Grievance fee of \$25.00

B. The HATT Board shall address the grievance at the next scheduled board meeting. The complainant shall be afforded a fair hearing providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner. HATT Board may continue the hearing. The complainant and the HATT Staff shall have the opportunity to examine all documents, records and regulations of the HATT that are relevant to the hearing. Complainant shall be responsible for all photocopying expenses. Any document not made available after written request may not be relied upon at the hearing. Complainant has the right to be represented by counsel.

1. If the complainant fails to appear at the hearing, the HATT Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

2. The hearing shall be conducted by a designated member of the HATT Board, the "Hearing Officer". The hearing shall be recorded. Oral or documentary evidence may be received without strict compliance with the Arizona Rules of Evidence.

3. The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

C. Based on the records of the hearing, the HATT Board will provide a written decision with findings to support the determination. The decision shall be binding and HATT shall take all actions necessary to carry out the decision.

Section 110 LENDERS AND LOANS

110.1 Purpose: This section is intended to meet the following goals in provision of individual mortgage financing for Housing Units covered by these Guidelines.

A. Protect the public investment and regulatory integrity of the affordable housing program in the short and long term.

B. Minimize the financial and other risks to the HATT and the affordable housing program in general by prohibiting excessive debt or other obligations from being secured by the Housing Unit

C. Minimize the chance that an owner of a Housing Unit will create a financial risk for HATT through creation of debt or other secured obligations against the Housing Unit.

D. Increase the potential financing opportunities for applicants and owners.

E. All lender loan documents shall be subject to review and approval by the HATT.

110.2 Lenders and Mortgages: Borrowers are restricted to either conventional or government guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Arizona. All other mortgages will require an Exception from the HATT in order to purchase the Housing Unit.

110.3 Option to Purchase: Lenders who are beneficiaries of any Deed of Trust executed in connection with the sale of a Housing Unit must sign an Option to Purchase, acknowledging the provisions of the Deed Restriction and granting a right to the HATT to purchase the unit in a foreclosure under certain conditions. The lender

shall provide the HATT sixty (60) days' prior notice of any change in ownership or assignment of the mortgage is anticipated and shall fully cooperate in securing the required signatures for a new Option to Purchase.

110.4 Total Debt: Owners shall not incur debt, liens or other obligations secured by the Housing Unit that exceed the total Original Purchase Price of the unit and shall notify the HATT immediately when a change in the total of these secured obligations is anticipated. This limitation and notice requirement shall apply also to any refinance of existing debt secured by the Housing Unit. The HATT, Owners and Lenders shall cooperate in obtaining new signatures for any new Options to Purchase that may be necessary.

Any debt, lien or other obligation (or any portion thereof) that either exceeds the OPP or for which an Option to Purchase has not been granted to the HATT shall be considered an unsecured obligation.

110.5 Increases in Total Debt: Owners or potential purchasers may apply for an Exception to increase the allowed Total Debt to an amount greater than the Original Purchase Price for one or more of the following reasons:

- A. An increase to not more than 103% of the OPP may be allowed to secure a closing cost or down payment assistance loan issued by a local, state or federal public agency or qualified non-profit agency.
- B. An increase to not more than the currently allowed Maximum Resale Price at the time of application may be allowed to secure debt associated with allowed and approved Capital Improvements.

The HATT shall not be obligated to approve any increase in the allowed Total Debt and shall consider the overall benefits and costs to the affordable housing program as well as the individual situation involved.

110.6 Co-ownership and co-signatures: Any co-ownership interest other than Joint Tenancy or Tenancy-In-Common must be approved as an Exception according to section 109.2 above. Co-signers may be approved for ownership of the unit but shall not occupy the unit unless qualified by the HATT. Approved Co-signers shall be required to sign a separate agreement to sell in the event the owner defaults or is otherwise required to sell the Housing Unit.

Section 201 LEGISLATIVE HISTORY

201.1 This Housing Authority of the Town of Tusayan Guidelines was approved by the Town on _____.

Section 902 AMENDMENTS

202.1 This policy shall be reviewed at least every two years by the HATT and changes, if any, will be recommended to Town Council based on the success and failure of the previous policy.

202.2 Amendments to these Guidelines shall be made according to the following procedure:

A. Any proposed amendment shall be presented to the HATT for its consideration and recommendation to the Town Council for approval.

B. The HATT shall conduct a public hearing of the proposed amendment and either adopt, adopt with amendments or reject the proposed amendment. The public hearing on the proposed amendment shall be considered in a timely manner. Such amendment will be adopted in form of a written resolution of the Town Council of the Town of Tusayan.

202.3 Amendments to Appendices A and B may be proposed by the HATT Staff and require only the approval of the HATT to become effective.

Section 203 ADMINISTRATIVE PROCEDURES

203.1 **Fair Housing Standards** The HATT Staff shall administer this policy in compliance with all applicable fair housing standards, including but not limited to the Fair Housing Act. These standards prohibit discrimination in housing on the basis of age, race, religion, handicapped or disabled status, country of origin, sex or sexual identity. In addition to any remedies available in the applicable law, any dispute between an applicant and the HATT Staff regarding these standards may be filed as a Grievance (see Section 109.4.).

203.2 **Reasonable Accommodation** The HATT Staff shall administer this policy in compliance with all reasonable accommodation standards, including but not limited to the Americans with Disabilities Act. Persons requiring reasonable accommodation for their disability shall give the HATT Staff at least 48 hours' notice of such need so that appropriate arrangements can be made (for example: providing sign language services for a hearing impaired person).

203.3 **Assignment of Administrative Responsibilities** The HATT shall have the

right to contract with any qualified person or entity for the purpose of administering these Guidelines. The contract for administration shall provide for oversight by the Town, including access to applicable records and the ability to conduct an independent audit of administrative procedure.

Section 204 DEFINITIONS

PURPOSE: The purpose of this Section is to define words, terms and phrases contained within these Housing Guidelines.

Affordable Housing – Any Housing Unit that is restricted to sale at a specified price to a Qualified Household and subject to these Guidelines.

Alter or Alteration – Alter or alteration means any change, addition, or modification in construction or occupancy.

Applicant – A Household that has submitted the required application either for qualification as a Purchaser or for placement on the Ownership Waiting List, as the context requires.

Area Median Income [AMI] – A statistical number based on Household Size and Income for residents of Coconino County Arizona that is used in these Guidelines as a basis for the Income Eligibility Tiers applied to specific Housing Units. The HATT Staff shall update the AMI at least once per year based upon an analysis of the best available data for Coconino County Household Incomes. Data sources and methods for this analysis are documented in Appendix A.

Assets – Anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. See also definition for Gross Assets and Net Assets.

Bedroom – Area designed to be used for sleeping purposes that shall contain closets, have access to a bathroom and meets applicable Town Building Code requirements for light, ventilation, sanitation and egress.

Capital Improvements (Allowed) – Unless otherwise defined in the Deed Restriction covering the Housing Unit, an allowed Capital Improvement is any fixture approved by the HATT staff prior to erection/construction that is erected as a permanent improvement to real property or non-recurring expenses for physical improvements that provide a long-term upgrade or improvement to the deed-restricted housing unit, plus the present value of capital improvement costs including labor, if professionally provided, and for which verification of the expenditure (documentation) is provided by the Owner. Labor costs provided by the Owner may be authorized for up to 50% of the Allowed Capital Improvements upon approval by the HATT staff. Allowed Capital Improvements shall NOT include landscaping, non-essential appliances, fixtures or upgrades or costs associated with ordinary repair, replacement, and maintenance. It is

the Owner's responsibility to secure any approval necessary from the Housing Unit's Homeowners Association prior to undertaking any Capital Improvement.

Consumer Price Index [CPI] – Two Consumer Price Indices are used for purposes of the Guidelines and for purposes of the Deed Restriction. The homeowner may choose from which Consumer Price Index to use- U.S. City Average and Regions, Urban Wage Earners and Clerical Workers (CPI-W), All Items, not seasonally adjusted, or its successor index CPI- W average. Updated information is received on a regular basis from the U.S. Department of Labor, Bureau of Labor Statistics.

Co-signer – A joint signatory of a promissory note whose obligations are the same as those of the primary borrower. If the primary borrower does not repay the loan, the cosigner accepts responsibility for the debt. A Co-signer shall not occupy the unit unless qualified by the HATT.

Contract Rent – See Rent

Deed Restriction – A contract prepared by the HATT in coordination with Town Legal and entered into between the HATT, the Town of Tusayan and the owner or purchaser of real property identifying and burdening the conditions of use, occupancy and sale which shall not be altered by any party without the written consent of all parties.

Dependent – A minor child (18 years or younger) or other relative of the renter or owner of a Housing Unit, which child or relative is taken and listed as a dependent for federal income tax purposes by such renter or owner or his or her present or former spouse (said dependent must also be related by blood or adoption).

Designee – is a person or entity who is named and authorized to act in place of the person or entity granting the designation.

Disabled Person – A person with a "disability" as defined in the Americans with Disabilities Act of 1990 as amended. Federal laws currently define a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment."

Elderly – A person who is at least 65 years of age.

Eligibility – Qualification requirements applied to a Household based on the specific Housing Unit the Household intends to occupy the Housing Unit.

Eligibility Tier – The standard of Household Income that applies to a particular Housing Unit. Not all Housing Units have an Eligibility Tier.

Employment Requirement – The number of hours of employment or other criteria used to determine qualification of a particular Household contained in Section 103.2 above. In order to be counted as employment within the boundaries of the Town of Tusayan (the “District”), an Employee must verify that they are or have been physically working at a location or combination of locations within the District for the required number of hours. In cases of employment for an individual, institution or employer located outside the District, or for self-employment, the HATT may request additional evidence to establish the location and number of hours of eligible employment. Employment evidence provided by the applicant is subject to evaluation of reasonableness by the HATT.

Exception – A variance from these Guidelines granted to a Household or other interested party through the Exception Procedure contained in Section 109.2 above

Fair Market Value – The price that an interested but not desperate buyer would be willing to pay and an interested but not desperate seller would be willing to accept on the open market assuming a reasonable period of time for an agreement to arise. The price at which bona fide sales have been consummated for assets of like type, quality, and quantity in a particular market.

Fannie Mae (FNMA) – Federal National Mortgage Association, a quasi-governmental agency that purchases mortgage loans in the secondary loan market.

Fee Simple Estate – The maximum possible estate that one can possess in real property; complete and absolute ownership of indefinite duration, freely transferable, and inheritable.

Fixture – 1) A tangible thing which previously was personal property and which has been attached to or installed on land or a structure thereon in such a way as to become a part of the real property; 2) Any non-portable lighting device built in or attached securely to the structure; 3) The permanent parts of a plumbing system and fixtures.

Gross Assets – Anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation, or estate that is applicable or subject to the payment of debts. Gross Assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Assets are evaluated at current fair market value, not accounting book value.

Gross Income – Total individual income including:

1. income from employment, Social Security benefits, alimony and child support;
2. trust and other investment income; and
3. net income derived from a business or from income-producing property, after

reasonable deductions for expenses, depreciation, taxes, and similar allowances.

Applicant representations of Gross Income are subject to verification and evaluation of reasonableness by the HATT.

Gross Liabilities – The total amount owed to other persons including loans, liens, accounts payable and other financial obligations as defined by generally accepted accounting practice.

Gross Rent – See Rent

Guideline(s) – A set of operational regulations adopted by the Housing Authority of the Town of Tusayan and the Tusayan Town Council, and amended from time to time, that set out definitions, standards and procedures that are to be applied to specific Housing Units. These Housing Authority of the Town of Tusayan Guidelines or specific provisions thereof as the context requires.

Household – All Owners or Renters, their immediate family which includes spouses, siblings, parents and/ or offspring, either biologically, by marriage or by legal adoption, regardless of age, and any parties who by legal arrangement including by leasehold interest, deed, joint tenancy, tenancy in common, or tenancy in its entirety shall have a legal right to fee ownership or leasehold interest, who will be occupying the Housing Unit.

Household Income – Combined Gross Income of all individuals in the Household.

Household Gross Assets – Combined Gross Assets of the Household

Household Net Assets – Gross Household Assets less Gross Household Liabilities.

Household Net Worth – Equivalent of Household Net Assets. Household Net Assets is the term used throughout these Guidelines.

Housing Unit – A deed-restricted unit that is subject to the Housing Authority of the Town of Tusayan Guidelines and any additional covenants that run with the land.

Joint Tenancy – Ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

Lease – A written agreement between an owner and a tenant Household that creates a Leasehold Interest.

Leasehold Interest – A less than fee simple estate that a tenant possesses in real property.

Leave of Absence – An Exception from the requirement that a Qualified Household maintain the Housing Unit in question as its primary place of residence granted according to Section 103.2F.

Maximum Resale Price [MRS] – Unless otherwise defined in the Deed Restriction covering the unit, the owner's maximum resale price is determined according to Section 107.

Mortgagee – A lender in a mortgage loan transaction.

Mortgagor – A borrower in a mortgage loan transaction.

Net Assets – Gross Assets minus liabilities. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset.

Option to Purchase – A legal document signed by the Mortgagee, and where applicable a co-signer, acknowledging the provisions of the Deed Restriction and granting a right to the HATT to purchase the Housing Unit in a foreclosure under certain conditions.

Original Purchase Price (Allowed) [OPPI] – The price paid for the Housing Unit by the current Owner(s) and used as a basis to determine the Maximum Resale Price. The OPP is recorded in the Deed Restriction attached to each Housing Unit.

Owner – Owner means an individual or individuals who have a legal right to the property by deed, tenancy in common, joint tenancy or tenancy in the entirety or other relationship and who have a proprietary interest.

Priority – The order in which Housing Units are offered to Applicant Households based on the applicable selection procedure for the Housing Unit in question (e.g. lottery, waiting list or bidding procedure).

Present Value – The cost or price of any capital improvements as established at the time of such improvement and shall be neither appreciated nor depreciated from such time.

Property – Includes all real estate of any kind, developed or undeveloped, including but not limited to land, commercial property, investment property, residential property.

Purchaser – A person who is buying or has purchased a Housing Unit.

Qualification – The minimum standards of employment, residency and/or net assets that are applied to a Qualified Household according to Sections 103.2 and 103.3 above.

Qualified Household – A Household that has been certified by the HATT as qualified to own or occupy a Housing Unit according to the Guidelines that apply to that Unit.

Qualified Owner – A person or entity other than a Qualified Household who is permitted to own Housing Units.

Rent –

Contract Rent - The rent paid according to the Lease. Contract Rent does not include the Utilities Allowance. Allowed Gross Rent- Utilities Allowance = Contract Rent.

Gross Rent (Allowed) - The total amount per month including utilities that a Qualified Owner is allowed to charge to a Household in leasing a Housing Unit. It differs from Contract Rent by the amount of the Utility Allowance (for utilities not included in the rent) that applies to the Housing Unit.

Gross Rent (Actual) - Actual gross rent may be less than Allowed gross rent due to local market forces. In order to keep a unit occupied, Qualified Owner may be required to charge less than the Gross Rent Allowed.

Sale – For purposes of these Guidelines, a sale is the exchange of a Housing Unit for an agreed amount of money in a single transaction in which title to the Housing Unit is transferred to a new qualified Household.

Tenancy In Common – Co-ownership in which individual holds an undivided interest in real property as if he were sole owner.

Tenancy in the Entirety – A special joint tenancy between a lawfully married husband and wife, which places all title to property (real or personal) into the marital unit, with both spouses having an equal, undivided interest in the whole property.

Tenant – A person(s) who has the temporary use and occupation of real property owned by another subject to the Guidelines.

HATT – The Housing Authority of the Town of Tusayan. As used in these Guidelines, the HATT may also mean the Board of Commissioners of the Housing Authority of the Town of Tusayan, or the HATT Staff as the context requires.

HATT Board – The Board of Directors of the Housing Authority of the Town of Tusayan

HATT Staff – The person or persons who the Housing Authority of the Town of Tusayan employs for the purpose of administering these Guidelines.

Town – The Town of Tusayan.

Town Council – The Town Council of the Town of Tusayan.

Utilities Allowance - The amount dedicated for tenant paid utilities based upon the utility allowance schedule developed by HUD for rent subsidized units in Coconino

County. The utility allowance schedule is available at the HATT.

Volunteer Community Service – Work which is performed for recognized non-profit community organizations for which no monetary or other material compensation is received.

Appendix A: Area Median Income and Income Limits

Area Median Income is currently determined by the following procedure:

1. Use the most recently updated US Department of HUD "Very Low Income" figures for Coconino County, Arizona for 1-, 2-, 3-, and 4-person households. These are 50% of Area Median Income, so Area Median Income is double these figures. The 100% AMI is multiplied by each percent to establish the AMI's for the Guidelines.
2. HATT Staff shall update as new US Department of HUD "Very Low Income" are released. Based on this procedure, the Area Median Incomes for Coconino County are:

Table 1. Coconino County Area Median Income (AMI*) Eligibility

	Household Size					
	1 person	2 person	3 person	4 person	5 person	6 person
100% Area Median Income						

*This is the AMI calculation pursuant to the Tusayan Affordable Housing Guidelines.

Qualification is based on Household size, NOT unit size. The table below provides a guide for determining Household Income Eligibility. See Section 103. for Minimum Household Size requirements.

Unit Size	1 Bedroom	2 Bedroom	3 Bedroom	3 Bedroom
Household Size	1 Person	2 Person	3 Person	4 Person
70% AMI				
80% AMI				
90% AMI				
100% AMI				
110% AMI				
120% AMI				
130% AMI				
150% AMI				
180% AMI				
200% AMI				

Appendix B: Calculation of Rental Prices

ALLOWED RENT AND SALE PRICES

It is generally accepted in the affordable housing field that housing is affordable if either

(1) the total of rent and utilities or

(2) the total of mortgage payment, insurance, taxes and HOA dues is not more than 30% of monthly gross income. This standard forms the basis of the allowed rents and sale prices.

Calculation of **Allowed Gross Rent** (total of rent and utilities) is accomplished by dividing the Target Income by 12 and multiplying the result by 30%. Expressed in MS Excel format:

Allowed Gross Rent

=Target Income/12*30%

The Allowed Gross Rent is also the allowed payment for a monthly mortgage payment (including also the taxes, insurance and HOA dues escrow payments).